

**TENNECO CLEAN AIR INDIA LIMITED**

**Employee Stock Option Scheme 2025**

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## EMPLOYEE STOCK OPTION SCHEME 2025

### **1. Name, Objectives and Term of the Scheme**

- 1.1. This Stock Option (*defined below*) scheme shall be called the ‘Employee Stock Option Scheme 2025’ (“**ESOP 2025**” or “**Scheme**”).
- 1.2. The primary objective of the Scheme is to attract, retain and reward Employees (*defined below*) with the requisite expertise and skill set by providing them with an opportunity to share wealth created. The Company also intends to use this Scheme to attract, retain and motivate key talent working with the Company and its Subsidiary Company(ies) and Associate Company(ies), by rewarding Employees for their high performance and by motivating them to contribute to the overall corporate growth and profitability of the Company.
- 1.3. This Scheme shall be effective on and from the Listing Date (*as defined below*). This Scheme has been approved by the board of directors of the Company on June 27, 2025, and the shareholders of the Company on June 27, 2025, and shall continue to be in force until the earlier of (i) its termination by the Board/ Nomination and Remuneration Committee in due compliance with the provisions of Applicable Laws; or (ii) 10 (ten) years from the Listing Date.
- 1.4. This Scheme has been framed in accordance with the Securities and Exchange Board of India Act, 1992, SEBI SBEB Regulations (*as defined below*), the Companies Act (*as defined below*), the Companies (Share Capital and Debentures) Rules, 2014, and the relevant provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, in each case as amended from time to time and other applicable rules, regulations and other provisions of law for the time being in force. Subject to provisions of Clause 15 below, the Committee as authorized may at any time alter, amend or terminate the Scheme.

### **2. Definitions and Interpretations**

In this Scheme, unless the context clearly indicates a contrary intention, the following words or expressions shall have the meaning assigned herein:

#### **2.1. Definitions**

1. **“Abandonment”** means absence of an Employee from work without authorization for a period of 10 (ten) days, without having taken permission from the Company.
2. **“Acceptance Form”** means the form required to be submitted by the Option Grantee indicating his/ her acceptance of the Grant made to him/her to participate in the Scheme.
3. **“Applicable Laws”** means any statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, policy, requirement, listing agreement or other governmental restriction or any similar form of decision, in each case as in effect from time to time, to the extent applicable, including and without limitation to the Companies Act, Securities and Exchange Board of India Act, 1992, SEBI SBEB Regulations, and all relevant tax, securities, exchange control or corporate laws or amendments thereof including any circular, notification issued thereunder, of India or of any relevant jurisdiction or of any Recognized Stock Exchange on which the Shares are listed or quoted.
4. **“Associate Company(ies)”** shall have the meaning ascribed to it under the Companies Act.

5. **“Board”** means the Board of Directors of the Company.
6. **“Cause”** means any of the following acts or omissions by an Option Grantee, in addition to any provision prescribed in the Company Policies/Terms of Employment amounting to violation or breach of any Company Policies/Terms of Employment, as determined by the Company after giving the Employee/Option Grantee an opportunity of being heard:
  - (a) commission of any act warranting summary termination under law; or
  - (b) conduct which in the reasonable opinion of the Company amounts to a serious breach of the obligation of trust and confidence towards the employer; or
  - (c) commission of any material or consistent breach of any of the Company Policies/Terms of Employment, including any willful neglect of or refusal to carry out any of the duties; or
  - (d) being convicted of any criminal offence; or
  - (e) being disqualified from holding office in the Company or any other company under any legislation or being disqualified or disbarred from membership of, or being subject to any serious disciplinary action by, any regulatory body within the industry, which undermines the confidence of the Company in the individual’s continued employment; or
  - (f) having acted or attempted to act in any way which in the opinion of the Company has brought or could bring the Company, its Subsidiary Company(ies), Associate Company(ies) or any other group company into disrepute or discredit; or
  - (g) Abandonment of employment; or
  - (h) Any other act or omission not included above, but defined as serious misconduct in the Company Policies/Terms of Employment.
7. **“Change of Control Event”** means:
  - (a) a transaction or series of related transactions involving the direct or indirect sale or transfer by the Promoters or the shareholders of the Promoters of all, or substantially all, of the assets of the Company to one or more persons that do not, immediately prior to such sale or transfer, directly or indirectly individually or collectively own a controlling interest in the Company;
  - (b) a transaction or series of related transactions involving the direct or indirect sale or transfer by the Promoters or the shareholders of the Promoters of all or substantially all of its equity interests of the Company to one or more persons that do not, immediately prior to such sale or transfer, directly or indirectly individually or collectively own a controlling interest in the Company;
  - (c) a transaction or series of transactions in which any one or more persons that do not, immediately prior to such sale or transfer, directly or indirectly individually or collectively own a controlling interest in the Company, acquire, directly or indirectly, control of the Company, including by way of merger, consolidation or otherwise;

- (d) such other extraordinary transaction or series of related transactions that the Board determines, in its sole discretion, has substantially the same effect as the transactions contemplated by clause (a) and clause (b) of this definition; or
- (e) such other extraordinary transaction or series of transactions that the Board determines, in its sole discretion, is a “Change in Control” for purposes of this Scheme.

For the avoidance of doubt, it is clarified that an initial public offering of any Promoter and/or the shareholder(s) of any Promoter (“**Promoter Group**”) (or a merger or other acquisition or combination transaction) after which the ultimate controlling shareholder of the Promoter Group retains control will not constitute a “Change of Control Event”.

- 8. “**Companies Act**” means the Companies Act, 2013 together with all rules, regulations, circulars, notifications, clarifications and orders issued by a Governmental Authority in respect of the foregoing.
- 9. “**Company**” means Tenneco Clean Air India Limited, a company incorporated under the provisions of the Companies Act, 2013 with corporate identity number U29308TN2018FLC126510 and having its registered office at RNS2, Nissan Supplier Park, SIPCOT Industrial Park Oragadam Industrial Corridor, Sriperumbudur Taluk, Kancheepuram, Tamil Nadu, India – 602105.
- 10. “**Company Policies/ Terms of Employment**” means the Company’s handbook and policies for Employees and the terms of employment as contained in the employment letter issued to the Employee, including all provisions relating to performance, confidentiality, non-compete and non-poaching of other Employees and customers, in each case, as amended from time to time. For the avoidance of doubt, it is clarified that the policies/code of conduct as amended from time to time, other relevant human resource policies and terms of employment of the Subsidiary Company(ies) or any Associate Company(ies) as regards an Option Grantee on the payrolls of such company shall be deemed to be “Company Policies/Terms of Employment” for such Option Grantee.
- 11. “**Competing Activity**” means any activity which is the same or substantially similar to part or whole of the business of the Company or any of the Subsidiary Company(ies) or Associate Company(ies), from time to time.
- 12. “**Competitor**” means any person who (directly or indirectly) undertakes or is engaged in any Competing Activity (from time to time).
- 13. “**Control**” means the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner, provided that a director or officer of the Company shall not be considered to be in control over the Company, merely by virtue of holding such position.
- 14. “**Corporate Action**” means, any one or more of the following events:
  - (a) merger, de-merger, spin-off, acquisition, consolidation, amalgamation, sale of

business, dissolution or other reorganization of the Company in which the Shares are converted into or exchanged for: (i) a different class of securities of the Company; or (ii) any securities of any other issuer; or (iii) cash; or (iv) other property.

- (b) sale, lease or exchange of all or substantially all of the assets or undertaking of the Company;
- (c) adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up;
- (d) a change in the capital structure of the Company as a result of reclassification of shares, splitting up of shares, sub-division of shares, rights issue of shares, preferential issue of shares, bonus issue of shares or conversion of shares into securities of a different type;
- (e) any other event, which in the opinion of the Board has a material impact on the business of the Company.

15. **“Cover Shares”** shall have the meaning ascribed to the term in Clause 9.1(c)(ii)(1).

16. **“Demat Account”** means the dematerialization account of a person maintained by a Depository Participant, with a Depository, according to Depositories Act, 1996.

17. **“Depository”** means the National Securities Depository Limited (NSDL) and/or Central Depository Services (India) Limited (CDSL), as the context requires.

18. **“Depository Participant”** means a depository participant within the meaning of the Depositories Act, 1996 who has an agreement with the Depository under Section 4(1) of the Depositories Act, 1996.

19. **“Director”** shall have the same meaning as defined under Section 2(34) of the Companies Act.

20. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Nomination and Remuneration Committee for granting the Stock Options to the Employees.

21. **“Employee”** or **“Eligible Employee”** means an ‘employee’ as defined under the SBEB Regulations, as follows:

- (a) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (b) a Director of the Company, whether a whole time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group;
- (c) employees as mentioned in (a) and (b) above, of a Group Company, including a Subsidiary Company or Associate Company, in India or outside India, or of a Holding Company;

(d) but does not include:

- (i) an employee who is a Promoter or belongs to the Promoter Group; or
- (ii) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company; and
- (iii) a Director being an Independent Director.

22. “**ESOP 2025**” or “**Scheme**” means the ‘Stock Option Plan 2025’ under which the Company is authorized to Grant Options to the Employees.

23. “**ESOP Documents**” shall mean and include the terms and conditions set forth in this Scheme, Grant Letter, relevant Company Policies/ Terms of Employment, articles of association of the Company and the terms of any contracts entered into *inter alia* by the Company or the Subsidiary Company(ies) or Associate Company(ies) and the Employee.

24. “**Exercise**” of a Vested Option means election by an Option Grantee by way of a written notice to the Company to subscribe to Shares underlying such Vested Option subject to satisfaction of any conditions prescribed under the ESOP Documents and Applicable Law.

25. “**Exercise Period**” means such time period after Vesting within which the Option Grantee shall have the right to Exercise the Vested Options in pursuance of ESOP 2025.

26. “**Exercise Price**” means the price approved by Nomination and Remuneration Committee being payable by the Option Grantee in order to Exercise the Vested Options in pursuance of the ESOP 2025, subject to Applicable Laws.

27. “**Exercised Options**” means Options that have been Exercised.

28. “**Governmental Authority**” means any government authority, statutory authority, regulatory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on the Company or an Employee or any state or other subdivision thereof or any municipality, district or other subdivision thereof.

29. “**Grant**” means issuance of Options to an Employee under the ESOP 2025, and the terms “**Granted**” and “**Granting**” shall be construed accordingly.

30. “**Grant Date**” means the date on which Grant is approved by the Nomination and Remuneration Committee.

31. “**Grant Letter**” means the letter issued by the Company intimating the eligible Employee of the Grant of Options specifying the number of Options and setting out matters incidental and ancillary thereto.

32. “**Group Company**” means 2 (two) or more companies which, directly or indirectly, are in a position to (a) exercise 26% or more of the voting rights in the Company; or (b) appoint more than 50% of the members of the board of directors in the Company; or (c)

Control the management or affairs of the Company.

33. **“Holding Company”** shall have the meaning as defined in Section 2(46) of the Act;
34. **“Independent Director”** means an Independent Director within the meaning of the section 149(6) of the Companies Act and/or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
35. **“IPO”** shall have the meaning ascribed to the term “initial public offer” under the SEBI ICDR Regulations.
36. **“Listing”** means listing of the Company’s Shares on any Recognized Stock Exchange in India pursuant to an initial public offer of Shares or otherwise.
37. **“Listing Date”** means the date on which Listing occurs.
38. **“Nominee”** means:
  - (a) an individual nominated by the Option Grantee in accordance with Clause 17.2 of Scheme; or
  - (b) if no such nomination has been made in accordance with (a) above or if the individual nominated is not surviving, the legal heir of the Option Grantee under Applicable Law, as maybe certified by the relevant authority.
39. **“Nomination and Remuneration Committee”** or **“Committee”** means the committee constituted by the Board from time to time, to administer and supervise the Scheme and other employee benefit plan/schemes, if any, comprising of such members of the Board as provided under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and having such powers as accorded to the Committee under the SEBI SBEB Regulations read with powers specified in this ESOP 2025.
40. **“Option Grantee”** means an Eligible Employee having a right but not an obligation to exercise a Stock Option in pursuance of the ESOP 2025.
41. **“Performance-based Options”** means Options in respect of which the Vesting Conditions require achievement of specified performance conditions by the Option Grantee or the Company, as determined by the Committee and as set out in the Grant Letter.
42. **“Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental or otherwise, which permanently incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Nomination and Remuneration Committee based on a certificate of a medical expert identified by the Nomination and Remuneration Committee and in accordance with Applicable Law.
43. **“Promoter(s)”** shall have the same meaning assigned to it under the Companies Act and/or SEBI ICDR Regulations.

44. **“Promoter Group”** shall have the same meaning assigned to it under the SEBI ICDR Regulations.
45. **“Recognized Stock Exchange”** means the National Stock Exchange of India Limited, BSE Limited, or any other stock exchange which has been granted recognition under Section 4 of the Securities Contracts (Regulation) Act, 1956.
46. **“Retirement”** or **“Superannuation”** means retirement of the Employee from the Company as per the Company Policies/Terms of Employment.
47. **“SEBI SBEB Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
48. **“SEBI ICDR Regulations”** means the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
49. **“Secondary Acquisition”** shall have the meaning ascribed to the term under the SEBI SBEB Regulations.
50. **“Secretarial Auditors”** shall have the meaning ascribed to the term under the SEBI SBEB Regulations.
51. **“Shares”** means equity shares of the Company having face value of INR 10 (Indian Rupees Ten) each.
52. **“Stock Option”** or **“Option”** means an option granted to an Employee, which gives such Employee the right, but not the obligation, to purchase or subscribe at a future date, to the Shares, directly or indirectly, at the relevant Exercise Price in accordance with the terms of this ESOP 2025, and means both Time-based Options and the Performance-based Options.
53. **“Subsidiary Company(ies)”** means any present or future Subsidiary Company(ies) of the Company determined as per Section 2(87) of the Companies Act.
54. **“Time-based Options”** means Options (other than Performance-based Options) in respect of which the Vesting Conditions are linked to continued employment in ‘good standing’ of the Option Grantee with the Company over a period of time, as determined by the Committee and as set out in the Grant Letter.
55. **“Trust”** shall mean the trust established under the provisions of the Indian Trusts Act, 1882, for implementing the ESOP 2025.
56. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and which are not eligible to be Exercised by the Option Grantee.
57. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to Exercise the Option subject to fulfillment of conditions under the ESOP Documents, and the term **“Vested Options”** shall be construed accordingly.

58. **“Vesting”** means the satisfaction of all the Vesting Conditions of an Option, entitling the Option Grantee to Exercise such Option in accordance with this Scheme, and the terms **“Vest”** and **“Vested”** shall be construed accordingly.
59. **“Vesting Condition”** means the condition(s) prescribed, if any, in the ESOP Documents, subject to satisfaction of which the Unvested Options granted to an Option Grantee would Vest in an Option Grantee.
60. **“Vesting Period”** means the period during which the Vesting of the Option granted to the Employee, in pursuance of the ESOP 2025 takes place.

## 2.2. **Interpretation**

In this Scheme, unless the contrary intention appears:

- (a) clause headings/ sub-headings/ titles/ sub-titles are only for the sake of convenience and shall not be interpreted to restrict or otherwise affect the meaning or import of thereof, which shall be interpreted solely in light of the contents thereof;
- (b) a reference to a clause number is a reference to its sub-clauses;
- (c) words in singular number include the plural and vice versa;
- (d) words importing a gender include any other gender;
- (e) a reference to a schedule includes a reference to any part of that schedule which is incorporated by reference;
- (f) where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings;
- (g) any reference to ‘writing’ includes printing, typing, lithography and other means of reproducing words in visible form;
- (h) the term ‘including’ shall mean ‘including without limitation’;
- (i) unless otherwise specified, the provisions of this ESOP 2025 shall also be applicable to the Employees of any Subsidiary Company(ies) and/Associate Company(ies). Accordingly, any reference to the term **“Company”** and **“Employee”** shall, unless the context otherwise provides, also mean to refer the Subsidiary Company(ies) and/or Associate Company(ies), as the case may be, and the Eligible Employees of such Subsidiary Company(ies) and/or Associate Company(ies), respectively;
- (j) words and expressions used and not defined here but defined in the SEBI SBEB Regulations or Companies Act and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislations, as the context requires; and
- (k) any reference to any act, rules, regulations, statute or notification shall include any statutory modification(s), amendment(s), variation(e) substitution(s) or re-enactment(s) thereof.

### **3. Authority and Ceiling**

3.1. The shareholders of the Company have by way of a special resolution dated June 27, 2025, approved the ESOP 2025 and the following:

- (a) the Nomination and Remuneration Committee is authorized to Grant up to such number of Options to the Eligible Employees, as may be decided by them, in accordance with the Scheme in one or more tranches, from time to time;
- (b) the Options to be granted under the Scheme in one or more tranches, from time to time, being shall be exercisable into Shares which are no more than 2% of the total share capital of the Company as on date of the afore-mentioned special resolution, with each such Option conferring a right upon the Employees to subscribe to 01 (one) Share in the Company upon Exercise of such Option in accordance with the terms and conditions set out under the Scheme and the Applicable Laws;
- (c) the maximum number of Options that may be granted under the ESOP 2025 to an individual Employee, shall be 4,036,043;
- (d) if an Option remains unexercised at expiration of the Exercise Period or is forfeited/cancelled or becomes un-exercisable due to any other reason, it shall become available for future Grants, subject to overall limits under ESOP 2025 and compliance with all Applicable Laws; and
- (e) the Shares issued pursuant to Exercise of Options under the ESOP 2025 may be acquired either by way of direct allotment by the Company or through Secondary Acquisition by the Trust if set up as contemplated in Clause 4.1 below.

3.2. The Company shall obtain the approval of its shareholders by way of a separate resolution in the event of: (a) a grant of Options to Eligible Employees, during any one year, which is equal to or exceeds 1% of the issued capital (excluding any outstanding warrants issued by the Company and conversions of securities) of the Company at the time of Grant of such Options; or (b) a grant of Options to Employees of Subsidiary Company(ies) or Holding Company or Associate Company(ies).

### **4. Administration**

4.1. The ESOP 2025 shall be administered by the Nomination and Remuneration Committee. In case the Committee so desires and particularly in case of Secondary Acquisition of Shares or acquisition by way of a gift, the Committee shall delegate the implementation of the Scheme to a Trust, subject to such further approvals as may be required under Applicable Law. All questions of interpretation of this ESOP 2025 shall be determined by the Committee and such determination shall be final and binding on all persons having an interest in this ESOP 2025 or in any Option thereunder.

4.2. The administration of ESOP 2025 shall include, but not be limited to determination of the following as per provisions of the Scheme and Applicable Laws:

- (a) The Eligibility Criteria for Grant of Options to Employees;
- (b) The quantum and type of Options, including the bifurcation between the Performance-based and Time-based Options to be granted per Employee and in aggregate under the ESOP 2025 subject to the ceiling as specified in Clause 3.1;

- (c) The procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Options and to the Exercise Price in case of Corporate Actions or for any other reason, as may be determined by the Committee, as specified in Applicable Laws. In this regard, the following shall, inter alia, be taken into consideration:
  - (i) the number and Exercise Price of Options is adjusted in a manner that does not result in diminution of the value of such Options and that the total value remains the same after such Corporate Action; and
  - (ii) the Vesting Period and the life of the Options is left unaltered as far as possible to protect the rights of the Option Grantees.
- (d) The procedure and detailed terms for the Grant, Vesting and Exercise of Options in case of Option Grantees in general, including (i) the mode of payment of Exercise Price (cheque, demand draft, or any other mode); (ii) the procedure for funding the Exercise of Options; (iii) the procedure for cashless Exercise of Options; (iv) right of an Employee to Exercise all the Options Vested in such Employee at one time or at various points of time within the Exercise Period; (v) the period within which an Employee can exercise the Option and lapse of the Options in case of failure to Exercise within such period; and (vi) the treatment of the Options in case of termination of employment for Cause or otherwise and/or in case of long leave;
- (e) Approval of forms, writings and/or agreements, if entered by the Company, for use in pursuance of the ESOP 2025;
- (f) The acceleration, continuation, extension or deferment of the Exercise and/or Vesting of any Employee Stock Options, including with respect to the period following an Option Grantee's termination of employment/directorship with the Company, the Subsidiary Company(ies) or Associate Company(ies);
- (g) The policies and procedures to ensure that there is no violation of the Applicable Laws, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 or any statutory modification or re-enactment of these regulations by the Company, or any of the Employees, if and as applicable;
- (h) The terms and conditions of procedure for any buy-back of Vested Option(s) from Eligible Employees including (i) permissible sources of financing for buy-back of such Vested Option(s); (ii) minimum financial thresholds to be maintained by the Company as per its last financial statements; and (iii) limits upon the quantum of Vested Option(s) that the Company may buy-back in a financial year; and
- (i) Any other actions and any other determinations or decisions as necessary or appropriate in connection with the Scheme or the administration or interpretation thereof.

4.3. The Nomination and Remuneration Committee shall have a right to delegate or authorize any officer of the Company, if required and subject to the extent allowed under the Applicable Laws, such power to do specific acts and things without limitation for the Listing of Shares on Recognized Stock Exchange(s) that are allotted pursuant to Exercise of Vested Options, execution and submission of various document(s) to Recognized Stock Exchange(s) or any other institution as may be deemed

necessary in connection with the Scheme.

## **5. Eligibility and Applicability**

- 5.1. Grants can only be made to Eligible Employees. The specific Employees to whom the Option would be granted, and their Eligibility Criteria shall be determined by the Committee.
- 5.2. Subject to the above, in determining the Eligibility Criteria of an Employee to receive Options under this Scheme, the Committee may consider the qualification, experience, hierarchy in the organisation or performance of an Employee as indicated by the annual performance appraisal, minimum period of service, the position and responsibilities of an Employee, the nature and value to the Company of his/ her services and accomplishments, his/ her present and potential contribution to the success of the Company, past service and geographical location and such other factors that the Committee may deem relevant.
- 5.3. The Scheme shall be applicable to the Company, its Subsidiary Company(ies), Associate Company(ies), and any successor company thereof, and Options may be granted to the Eligible Employees of the aforementioned Company(ies), as determined by the Nomination and Remuneration Committee in its sole discretion.
- 5.4. The Options granted to an Eligible Employee shall be subject to the terms and conditions set forth in this Scheme and the ESOP Documents.

## **6. Grant and Acceptance of Grant**

### **6.1. Grant of Options**

- (a) Grants contemplated under the Scheme shall be made on such day and month as decided by the Nomination and Remuneration Committee in its discretion.
- (b) Each Grant of Option under the ESOP 2025 shall be made in writing by the Company to the Eligible Employees in the form of Grant Letter or such other ESOP Document as may be determined by the Committee, from time to time, in accordance with ESOP 2025.
- (c) The Grant of an Option pursuant to the Grant Letter to an Eligible Employee shall be personal to the Eligible Employee and unless otherwise provided under the Scheme, shall not be transferable to any other person in any manner whatsoever.

### **6.2. Acceptance of the Grant**

- (a) An Option Grantee who desires to accept the Grant of Options must communicate such acceptance by delivering to the Committee or any other person authorized in this regard, a copy of the Acceptance Form duly signed by the Option Grantee by the due date as specified in the Grant Letter being such a time period not exceeding 30 days from Grant Date.
- (b) The Acceptance Form shall be deemed to incorporate all the terms of ESOP 2025, as if the same were set out therein. In the event of inconsistency between the Grant Letter, the Company Policies/Terms of Employment, and/or the Acceptance Form and the ESOP 2025, the ESOP 2025 shall prevail.
- (c) Any Eligible Employee, who fails to deliver the duly filled and signed Acceptance Form within the time period specified in Clause 6.2(a) above, shall be deemed to have rejected

the Grant unless the Nomination and Remuneration Committee determines otherwise.

(d) Upon acceptance of the Grant in accordance with this Clause 6.2, (i) the Option Grantee, shall be bound by the terms, conditions and restrictions of the relevant ESOP Documents issued to such Option Grantee; and (ii) the Option Grantee's acceptance of the Grant of Options shall constitute an agreement between the Option Grantee and the Company, to the terms of this Scheme and the relevant ESOP Document.

## 7. **Vesting Schedule/ Conditions**

7.1. Subject to a minimum Vesting Period of one year, the Options granted under ESOP 2025 will Vest as per the following:

(a) **Vesting of Performance-based Options:** Performance-based Options will Vest in such tranches, as specified by the Committee, over a maximum period of five years, upon achievement of: (i) the specific performance parameters stipulated by the Committee with respect to financial and/or operational performance of the Company for each year of vesting; or (ii) any other factors as may be prescribed by the Committee. The Committee may, at its discretion, make exceptions with respect to Vesting of Performance-based Options Granted to Option Grantees who have joined the Company in the middle of the year in which the Grant is made. In the event the Option Grantee or the Company, as the case may be, is unable to meet the prescribed performance criteria for any tranche, the Performance-based Options for that tranche shall lapse, provided that the Committee may, in its sole discretion, allow Vesting of the lapsed Performance-based Options pertaining to such tranche in the subsequent tranche, subject to the conditions as prescribed by the Committee for such subsequent tranche.

(b) **Vesting of Time-based Options:** Time-based Options Granted under ESOP 2025 would Vest over a maximum period of five years, in accordance with the schedule of Vesting stipulated by the Committee in the Grant Letter.

7.2. The minimum Vesting Period of one year shall not apply to cases of separation from employment due to death or Permanent Incapacity and in such instances, all the Unvested Options shall Vest with effect from date of the death or Permanent Incapacity.

7.3. Notwithstanding the provisions of Clause 7.1 above, in case where Options are granted by the Company under the Scheme in lieu of options held by a person under a similar plan/ scheme in another company ("Transferor Company") which has merged or amalgamated with the Company, the period during which the options granted by the Transferor Company were held by him/her/them shall be adjusted against the minimum Vesting Period required in due compliance with the provisions of Applicable Laws.

7.4. Subject to provisions of Clause 9.2 of the Scheme, Vesting of Options would be subject to continued employment in good standing with the Company and such other conditions as may be specified by the Committee at the time of Grant of Options in the relevant ESOP Document.

7.5. As a prerequisite for a valid Vesting, subject to Clause 7.2, an Option Grantee is required to be in employment of the Company on the date of Vesting and must neither be serving his notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him/her on the due date of Vesting. In case of any ongoing or pending disciplinary proceedings against any Option Grantee, the Vesting of any Options granted such Option Grantee shall be kept in abeyance until disposal of the proceedings and the Vesting then shall be as determined by the

Committee basis the conclusion of the disciplinary proceedings.

- 7.6. Subject to Applicable Laws, and unless the Committee decides otherwise, no Options shall Vest in an Option Grantee if such Option Grantee carries on or engages in, directly or indirectly, at any time during employment, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, in any Competing Activity. The decision of the Committee in this regard shall be final and conclusive and cannot be called in question by the Option Grantee. For the sake of clarity, the restriction contained in this Clause is not applicable to: (i) an investment made by the Option Grantee in mutual funds or similar schemes; and (ii) any activity/ business carried out by the Option Grantee in pursuance of their duties as an Employee.
- 7.7. In the event of a Corporate Action or a Change of Control Event, the Committee shall have the power and discretion to waive or alter any or all Vesting Conditions (save and except for any Vesting Conditions relating to compliance with Applicable Law, including without limitation the minimum vesting period prescribed under Applicable Law) and accelerate Vesting of any or all Unvested Options granted under ESOP 2025. Notwithstanding anything to the contrary in this Clause 7.7, if the Change of Control Event does not occur after approval of acceleration of vesting of any or all Unvested Options by the Committee, such acceleration shall stand automatically cancelled and the waiver of any or all Vesting Conditions shall be null and void as if such proposal was never considered or approved by the Committee, and the Unvested Options proposed to be accelerated shall be subject to their original Vesting schedule and Vesting Conditions.

## **8. Vesting in case of Employees on long leave**

Unless otherwise determined by the Committee, the period of: (i) sabbatical and/or authorized leave without pay shall not be considered in determining the Vesting Period; and (ii) leave in all other cases taken in accordance with the Company Policies/ Terms of Employment, including approved earned leave, maternity leave and sick leave, shall be included to calculate the Vesting Period.

## **9. Exercise**

### **9.1. Exercise Price**

- (a) The Exercise Price per Option shall be as specified in the Grant Letter or any other relevant ESOP Document, as the case may be. However, the Exercise Price shall not be lesser than the face value of Shares.
- (b) The Exercise Price shall be paid in full upon the Exercise of the Vested Options.
- (c) At the Committee's option, the Committee may require the Option Grantee to adopt the procedure set out under (i) or (ii) below, or any other procedure / method of payment as may be acceptable to the Committee in its discretion.
  - (i) Subject to sub-clause (ii) below, payment can be made by the Option Grantee from one of the following methods:
    1. submission of cheque, banker's cheque or demand draft with the authorized personnel of the Company;
    2. remittance directly from the Employee's bank account to the Company's or Trust's (if any) bank account (electronic transfer); or

(ii) Cashless exercise of Options shall be permitted pursuant to which the Option Grantee may authorize the sale of Shares by the Company or Trust, if any, in the following manner:

1. **Sell to Cover**: The Option Grantee may authorize the Company or the Trust, if any, as the case may be, to sell such number of Shares underlying the Exercised Options, that are sufficient to cover the aggregate Exercise Price payable towards Exercised Options plus all applicable taxes (“**Cover Shares**”) by the Company or the Trust, as the case may be. In this case, the Shares remaining after the Exercise of Options and sale of Cover Shares as per this Clause shall be transferred to the Option Grantee’s Demat Account; or
2. **Sell All**: The Option Grantee may authorize the Company or the Trust, if any, as the case may be, to sell all the Shares arising upon the Exercise of Options and after deduction of the aggregate Exercise Price and applicable taxes, in which case the Company or the Trust shall be bound to remit the net proceeds to the Option Grantee. In this case, the Option Grantee shall not receive any Shares upon Exercise of the Options held by them.

## 9.2. **Exercise Period**

### (a) While in employment/ service

The Exercise Period in respect of Vested Options under this Scheme may be up to a maximum of **5 years** from the date of Vesting of such Options or such other period as may be decided by the Nomination and Remuneration Committee from time to time. The exact Exercise Period of Options in case of any Grant shall be determined by the Nomination and Remuneration Committee at the time of Grant and shall be as specified in the Grant Letter or the relevant ESOP Document, as the case may be. The Exercise Period as mentioned in the relevant ESOP Document for each Option Grantee shall be final and binding, unless otherwise decided by the Nomination and Remuneration Committee.

### (b) Exercise Period in case of separation from employment/ service

Subject to the maximum Exercise Period stated above, Vested Options can be Exercised by the Option Grantees as under:

S. No.	Events of Separations	Vested Options	Unvested Options
1.	<b>Resignation by Option Grantee / Termination by Company (or Group Company) (other than due to Cause)</b>	All the Vested Options as on the date of submission of resignation or issuance of notice of termination, may be Exercised by the Option Grantee on or before completion of 6 months from date of separation from Company, or such other period as may be permitted by the Committee on a case to	All the Unvested Options on the date of submission of resignation/ date of issuance of notice of termination, shall stand cancelled with effect from such date.

		case basis.	
2.	<b>Termination due to Cause</b>	All the Vested Options at the time of such termination for Cause shall stand forfeited and cancelled with effect from the date of such termination.	All the Unvested Options at the time of such termination shall stand cancelled with effect from the date of such termination.
3.	<b>Retirement/Superannuation</b>	All the Vested Options as on the date of Retirement//Superannuation may be Exercised by the Option Grantee on or before completion of 6 months from date of retirement / superannuation from the Company, or such other period as may be permitted by the Committee on a case to case basis.	All Unvested Options as on the date of Retirement would continue to Vest in accordance with the original Vesting schedule even after the Retirement unless otherwise determined by the Committee in accordance with the ESOP Documents and provisions of the Applicable Law.  All aforesaid Vested Options may be Exercised within such period from the date of (i) Retirement, or (ii) Vesting, as determined by the Committee.
4.	<b>Death</b>	All Vested Options shall be available for Exercise by the Option Grantee's Nominee or legal heir immediately, within a period of 12 months from the date of death of the Option Grantee, or such other period as determined by the Committee, whichever is later.	All the Unvested Options as on date of death shall Vest immediately in the Option Grantee's Nominee or legal heir and will be available for Exercise for a period of 12 months from the date of death of the Option Grantee, or such other period as determined by the Committee, whichever is later.
5.	<b>Permanent Incapacity</b>	All Vested Options may be Exercised by the Option Grantee, or by their Nominee(s)/legal heirs (in cases where such Permanent	All the Unvested Options as on date of incurring of such Permanent Incapacity shall Vest immediately in the Option Grantee or their

		<p>Incability renders the Option Grantee unable to exercise the Options), immediately, but in no event later than 12 months from the date of such Permanent Incability, or such other period as determined by the Committee, whichever is later.</p> <p>For this purpose, the date of Permanent Incability shall be the date mentioned in the certificate issued by the medical expert verifying such Permanent Incability of the Option Grantee.</p>	<p>Nominee(s)/legal heirs and can be Exercised within 12 months from the date of such Permanent Incability, or such other period as determined by the Committee, whichever is later.</p>
6.	<b>Termination due to reasons apart from those mentioned above</b>	<p>The Committee shall decide whether the Vested Options as on that date can be Exercised by the Option Grantee or not, and such decision shall be final and binding.</p>	<p>All Unvested Options on the date of such termination shall stand cancelled unless otherwise required by Applicable Laws or unless otherwise decided by the Committee.</p>

- (c) The Options shall be deemed to have been Exercised when an Option Grantee makes an application in writing in prescribed format to the Company or Trust, if any, or by any other means as decided by the Committee, for the issuance/transfer of Shares against the whole or part of the Vested Options, as specified by the Option Grantee, subject to payment of Exercise Price and compliance of other requisite conditions of Exercise including satisfaction of tax liability thereon.
- (d) The Options not Exercised within the Exercise Period as mentioned in Clause 9.2(b) shall lapse and the Option Grantee shall have no right over such lapsed Options.
- (e) The Vested Options may be Exercised either in full or in part, provided that no fraction of a Vested Option shall be exercisable in its fractional form and should be rounded off to the nearest multiple of one for a valid Vesting.
- (f) An Option shall be deemed to be Exercised only when the Committee or Trust, if any receives notice of Exercise as per sub- 9.2(c) above and a confirmation that the Exercise Price (in accordance with the Scheme) has been received from the Option Grantee.
- (g) Unless otherwise determined by the Committee, in the event of assignment or transfer or deputation of an Option Grantee within the Company, Subsidiary Company(ies), or Associate Company(ies), the Vested Options as on the date of such transfer, shall be

available for Exercise as if the employment/ service of the Option Grantee is being continued and in case of Unvested Options, such Options, even after date of such transfer, shall continue to Vest as per the original schedule and be Exercised as per the terms of Scheme.

(h) Subject to Applicable Laws, and unless the Committee decides otherwise, no Option Grantee shall be entitled to Exercise an Option, if such Option Grantee carries on or engages in, directly or indirectly, at any time whether during or post-employment, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, in a Competing Activity. Any decision of the Committee in this regard shall be final and conclusive and cannot be called in question by the Option Grantee. For the sake of clarity, the restriction contained in this Clause shall not apply to any investment held as a portfolio by the Option Grantee or any activity/ business carried out by the Option Grantee pursuant to their duties as an Employee, and shall not apply to any legal heir or Nominee of the Option Grantee.

## **10. Lock-in**

The Shares issued upon Exercise of Vested Options shall be subject to a lock-in of such period as may be determined by the Committee at the time of Exercise.

## **11. Exit route in case of de-listing**

If the Company gets de-listed from all the Recognized Stock Exchanges, then the Committee shall have the powers to determine the terms and conditions for the treatment of Vested Options and Unvested Options in due compliance of the Applicable Laws and/or ESOP 2025.

## **12. Corporate Action**

- 12.1. In the event of a Corporate Action, except as hereinafter provided, a Grant made shall be subject to adjustment, by the Committee, at its discretion as to number and price of Options or Shares, as the case may be, to ensure that the resulting value of the Options is not adversely impacted as a result of the Corporate Action. Provided further that in case the provisions of Applicable Law restrict/prohibit the issue of Shares at a discount to its par value, the Exercise Price shall not be less than the amount as prescribed under such law.
- 12.2. The existence of the ESOP 2025 and the Grants made hereunder shall not in any way affect the right or the power of the Committee or the shareholders of the Company to make or authorize any Corporate Action including any issue of Shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof, and with respect to pricing of the Shares (Shares may be issued at par or at any price as may be decided by the Committee which may be lower than the price at which Option is / will be granted to the Employees, from time to time). No Employee, beneficiary or other person shall have any claim against the Company as a result of such actions.
- 12.3. In the event of a dissolution or liquidation of the Company, any Vested Options outstanding under the Scheme shall be cancelled if not Exercised prior to such event and no compensation shall be payable in respect of the Options so cancelled unless otherwise decided by the Committee.
- 12.4. It is clarified that nothing contained in the Scheme shall be construed to prevent the Company from taking any Corporate Action which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Scheme or any Grant made thereunder. No Option Grantee or other person shall have any claim against the Company as a result

of such action.

### **13. Transferability of Options**

- 13.1. The Options shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 13.2. The Options shall not be transferable to any person except in the event of death or Permanent Incapacity of the Option Grantee, in which case Clause 13.3 would apply.
- 13.3. No person other than the Option Grantee to whom the Options are granted shall be entitled to Exercise the Options except in the event of the death of the Option Grantee in which case, his/her/their legal heir/Nominee shall be entitled to Exercise such Options in accordance with the provisions of this Scheme. If due to Permanent Incapacity, an Option Grantee is unable to Exercise the Options, the Committee may permit the Nominee (as provided in accordance with Clause 17.2) of the incapacitated Option Grantee to Exercise the Options on his/her/their behalf.

### **14. Deduction of Tax**

- 14.1. The liability of paying taxes, if any, in connection with Exercise of Options granted pursuant to this Scheme shall be entirely on the Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 and the rules framed thereunder and/or the laws governing income tax of respective countries as applicable to Eligible Employees of Company working abroad, if any.
- 14.2. The Company shall have the right to recover from Option Grantee or deduct from the Option Grantee's salary, any of the Option Grantee's tax obligations arising in connection with the Shares allotted in accordance with ESOP 2025, including in accordance with Clause 9.1 of this Scheme. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before the allotment of Shares or full and final settlement of the Options.
- 14.3. The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been fully satisfied by the Option Grantee.

### **15. Authority to vary terms and terminate the Scheme**

- 15.1. At any time, subject to Applicable Laws, the Committee shall have the power to: (a) vary the terms of the Scheme, including without limitation for the purposes of meeting any regulatory requirements and for the purposes of efficient implementation and administration of the Scheme, provided that such variation is not prejudicial to the interest of the Employees; and (b) to terminate the Scheme and/or cancel all or any of the Options granted under the Scheme with payment of adequate compensation for Vested Options.

Post Listing, the Company shall be entitled to vary the terms of ESOP 2025 to meet any regulatory requirement without seeking shareholders' approval by special resolution.

- 15.2. Subject to Applicable Laws, the Committee may also alter the Exercise Price of the Options (including a reduction in the Exercise Price as may be determined by the Committee) which are not Exercised, whether or not Vested, if Scheme is rendered unattractive due to fall in the price of the Shares. Provided that the Company shall ensure that such adjustment in the Exercise Price is not detrimental to the interests of the Employees and the approval of shareholders by way of special

resolution has been obtained for such alteration.

## **16. Accounting Policy and Disclosures**

- 16.1. The Company shall follow the laws/regulations applicable to accounting for Stock Options, as prescribed by the SEBI SBEB Regulations or any other Applicable Law, from time to time, including the disclosure requirements prescribed therein.
- 16.2. The Company shall make the requisite disclosures in respect of the Scheme, in the manner specified under Applicable Laws.

## **17. Miscellaneous**

### **17.1. Rights as a shareholder**

- (a) Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Shares covered by the Grant until the Option Grantee Exercises the Options in accordance with the ESOP Documents and becomes a registered holder of the Shares of the Company.
- (b) If the Company issues bonus or rights Shares, the Option Grantee will not be eligible for the bonus or rights Shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both may be made in accordance with Clause 12 of this Scheme, if deemed necessary by the Committee.

### **17.2. Beneficiary nomination**

Each Option Grantee, under the Scheme may nominate, from time to time, any Nominee to whom any benefit under the Scheme is to be delivered in case of death of that Option Grantee, before the Exercise of Vested Options. Each such nomination shall revoke all prior nominations by the same Option Grantee and shall be in a form prescribed by the Company and will be effective only when filed by the Option Grantee in writing with the Company during the Option Grantee's lifetime. The Nominee shall be the legal representative recognized by the Company as the inheritor of the Employee in respect of all rights and liabilities for the purposes of this Scheme.

### **17.3. Government Regulations**

This ESOP 2025 shall be subject to all Applicable Laws including any statutory modification(s) or re-enactment(s) thereof, and approvals from government authorities, if any and to the extent required. The Grant and the allotment of Shares under this Scheme shall also be subject to the Company requiring Employees to comply with all Applicable Laws.

### **17.4. Inability to obtain authority**

The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.

### **17.5. Foreign Exchange Laws**

If any Options are granted to any Employee being resident outside India, the provisions of the Foreign Exchange Management Act, 1999 or any other applicable foreign exchange laws and rules or regulations made thereunder shall be applicable and the Company and the Option Grantee shall comply with such requirements as prescribed from time to time in connection with Grant, Vest and Exercise of Options thereof.

#### **17.6. Compliance with Applicable Laws**

- (a) The Option Grantee shall comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003, to the extent applicable as well as any code of conduct or such similar policy procedure or system formulated or adopted by the Company and communicated to the Option Grantee from time to time. Any violation of the Applicable Laws or code of conduct may result in cancellation of all Vested and Unvested Options as well as subject the Option Grantee to disciplinary action at the discretion of the Company.
- (b) Post Listing, the Board shall, at each annual general meeting of the Company, place before the shareholders of the Company, a certificate from the Secretarial Auditors of the Company, certifying that ESOP 2025 has been implemented in accordance with SEBI SBEB Regulations and in accordance with the resolutions of the Company in the general meeting.
- (c) In case of any conflict between the provisions of this Scheme and any provisions, rules, regulations or guidelines issued under Applicable Law, the provisions of the Applicable Law shall override the provisions of this Scheme to the extent of such conflict.

#### **17.7. General Risks**

- (a) Participation in the ESOP 2025 shall not be construed as any guarantee of return on the Shares. Any loss due to fluctuations in the price of the Shares and the risks associated with the investments is that of the Option Grantee alone. The Option Grantee is encouraged to make considered judgment and seek adequate information /clarifications essential for appropriate decision.
- (b) The Options granted to an Employee will not be included in calculation of any employment-related benefits and the existence of a contract of employment between any person and the Company does not give such person any right or entitlement to have an Option granted to them in respect of any number of Shares or any expectation that an Option might be granted to them whether subject to any condition or at all.
- (c) Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted an Option shall give such individual any right, entitlement or expectation that they have or will in future have any such right, entitlement or expectation to participate in this Scheme by being granted an Option on any other occasion.
- (d) It is clarified that the nothing contained herein or in the concerned ESOP Documents shall give or confer upon the Option Grantee, any right for continuation of any employment with the Company or interfere in any way with the right of the Company to terminate the employment of such Option Grantee. Further, the rights granted to an Option Grantee upon the Grant of an Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of their office or

employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

- (e) The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which they may suffer by reason of being unable to Exercise an Option in whole or in part.
- (f) This ESOP 2025 is not intended to provide any legal or taxation advice to the Option Grantee of ESOP 2025 and such Employee should consult their own legal and tax advisors before accepting the Grant and / or Vesting of the Shares under the ESOP 2025.

## **18. Notices**

- 18.1. All notices of communication required to be given by the Company to an Option Grantee by virtue of the ESOP 2025 shall be in writing. The communications shall be made by the Company in any one or more of the following ways:
  - (a) Sending communication(s) to the address of the Option Grantee available in the records of the Company; or
  - (b) Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or
  - (c) Emailing the communication(s) to the Option Grantee at the official email address provided if any by the Company during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.
- 18.2. A notice shall be deemed to have been received: (i) at the time of delivery if delivered in person; (ii) at the time of transmission if sent by electronic mail (to the extent permitted under applicable law), or (iii) 5 business days after the time and date of posting if sent by pre-paid recorded delivery or international courier.
- 18.3. All notices of communication to be given by an Option Grantee to the Company in respect of Scheme shall be sent to the address mentioned below or to any other address of the Company specifically intimated by the Company in the Grant Letter:

Designation: Company Secretary / Compliance Officer of the Company  
Corporate Office Address: 10<sup>th</sup> Floor, Tower B, Paras Twin Towers, Golf Course Road, Sector 54, Gurgaon – 122002, India  
E-mail: [tennecoindiainvestors@tenneco.com](mailto:tennecoindiainvestors@tenneco.com)

## **19. Governing Laws and jurisdiction**

- 19.1. The terms and conditions of the ESOP 2025 shall be governed by and construed in accordance with the Applicable Laws of India.
- 19.2. The courts in New Delhi, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2025.

## **20. Severability**

In the event any one or more of the provisions contained in this ESOP 2025 shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this ESOP 2025, but this ESOP 2025 shall

be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and the remaining provisions will remain in full force and effect and will not be affected by the void, invalid, illegal, or unenforceable provision or by its severance from this Scheme. The ESOP 2025 shall be carried out as nearly as possible according to its original terms and intent.

## **21. Confidentiality**

- 21.1. An Option Grantee must keep the details of the Scheme and all other documents in connection thereto strictly confidential and must not disclose the details to any of his/her peers, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Clause, the Company has an undisputed right to terminate any agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Committee regarding breach of this Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Committee shall have the authority to deal with such cases as it may deem fit.
- 21.2. On acceptance of the Grant of Option offered by the Company, it shall be deemed that the Option Grantee has authorized the Company to disclose information relating to the Option Grantee, for the purposes of implementation of the Scheme and compliance with Applicable Laws.

[Grant Letter Template]  
[On the Letterhead of the Company]

[Insert Option Grantee's name]

[Insert Option Grantee's address]

Date: [●]

**Subject: Grant of Options under [●] Employee Stock Option Scheme 2025**

Dear [●],

You have been selected by the Nomination and Remuneration Committee (“Committee”) of the board of directors (“Board”) of [Ivory] (the “Company”) to participate in the Tenneco Clean Air India Limited Employee Stock Option Scheme 2025 (“ESOP 2025”), subject to the terms and conditions specified in the ESOP 2025, which terms and conditions are an integral part of this grant letter (“Grant Letter”). Words and expressions used in this Grant Letter but not defined herein shall have the meaning ascribed to them under the ESOP 2025.

The details of the Options being Granted to you under ESOP 2025 are as below:

<b>Grant Date</b>	: [●]
<b>Date by which acceptance must be communicated</b> (“Acceptance Date”)	: [●]
<b>Total Number of Options Granted</b>	: [●]
(a) Number of Time-based Options	[●]
(b) Number of Performance-based Options	[●]
	: 1 (One)
<b>Number of Share per Option</b>	: INR [●]
<b>Exercise Price per Option</b>	
<b>Exercise Period</b>	: (a) In case of Exercise of Options during employment with the Company, the Exercise Period will be [●] years; and (b) In case of Exercise of Options upon resignation/ termination of employment/ retirement/ death/ permanent incapacity, Exercise Period will be as per Clause 9.2(b) of ESOP 2025.

[Grant Letter Template]  
[On the Letterhead of the Company]

## **1. Vesting Conditions**

**1.1. Vesting of Time-based Options:** The Time-based Options Granted to you shall Vest in accordance with the following schedule:  
[●]

**1.2. Vesting of Performance-based Options:**

- (i) Subject to the conditions specified under this Clause 1.2, the Performance-based Options Granted to you shall vest in [annual] tranches of [●]% over a maximum Vesting Period of [●] years.
- (ii) The first tranche of Performance-based Options will Vest based on the achievement of the following parameters:
  - a. [●];
  - b. [●];
  - c. [●].
- (iii) For the subsequent tranches, the parameters for Vesting of the Performance-based Options will be communicated by the Committee, from time to time.
- (iv) In the event the parameters applicable to any tranche of Performance-based Options are exceeded, the maximum number of Performance-based Options to be Vested in relation to such tranche shall be capped at 100% of the Performance-based Options linked to that tranche.
- (v) The number of Performance-based Options vested in respect of each year of Vesting will be separately communicated by the Committee to the Option Grantee.

1.3. [The Options will lapse in case of non-fulfillment of relevant Vesting Conditions prescribed under this Clause 1, unless otherwise decided by the Committee in its sole discretion.]

## **2. Other Terms and Conditions:**

- 2.1. [Please refer to the Disclosure Document attached as **Annexure A**, which forms an integral part of this Grant Letter and contains salient features associated with your Grant.]
- 2.2. The manner of Exercise of Options Granted to you will be as set out in ESOP 2025. Pursuant to Clause 9.1(c) of ESOP 2025, should the Committee decide to implement cashless Exercise of Options, you agree to take all necessary actions to implement the procedure for such cashless Exercise, including any actions required in connection with the sale of Shares and

[Grant Letter Template]  
[On the Letterhead of the Company]

remittance of proceeds thereof, execution of any documents, or taking any other actions pursuant to instructions of the stock brokers or the regulatory authorities.

- 2.3. The provisions of ESOP 2025 are incorporated in this Grant Letter by reference. In the event of inconsistency between the Grant Letter, the Company Policies/Terms of Employment, and/or the Acceptance Form and the ESOP 2025, the provisions of the ESOP 2025 shall prevail.
- 2.4. All other terms and conditions related to your Grant will be as per ESOP 2025. By your acceptance of this Grant Letter, you agree to be bound by the terms and conditions specified in ESOP 2025, this Grant Letter and all other ESOP Documents.
- 2.5. Should the above-mentioned terms of the Grant be acceptable to you, please send a duly signed Acceptance Form (attached as ‘**Annexure B**’), to [insert e-mail address] at or before 11:59 p.m. on the Acceptance Date. Any failure to send a duly signed Acceptance Form within the time period set out in this Clause will be considered a rejection of the Grant, unless the Committee decides otherwise.
- 2.6. As part of the Acceptance Form, you will be required to identify a nominee in accordance with Clause 17.2 of ESOP 2025. You may modify your nomination at any time by providing written intimation to the Committee. In the absence of any such written modification to the nomination, the nomination made by you under the Acceptance Form shall be deemed final and binding for all purposes under ESOP 2025.

Congratulations on receiving this Grant Letter, which comes to you in recognition of your contribution towards achievement of organizational goals of the Company. We are confident that you will continue to contribute to the growth of the Company, with a sense of ownership and commitment.

A copy of ESOP 2025 is enclosed herewith for reference.

.....  
**On behalf of the Committee**

[Insert Name ]

[Grant Letter Template]  
[On the Letterhead of the Company]

**ANNEXURE A**

**Disclosure Document as per Part G of Schedule I of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021**

**A. Statement of Risks**

All investments in Options are subject to risk as the value of Shares may go down or go up. In addition, the Options are subject to the following additional risks:

- (a) **Concentration:** The risk arising out of any fall in value of shares is aggravated if the Option Grantee's holding is concentrated in the shares of a single company.
- (b) **Leverage:** Any change in the value of the Shares can lead to a significantly larger change in the value of the Options.
- (c) **Liquidity:** The Options cannot be transferred to anybody, and therefore the Option Grantee cannot mitigate their risks by selling the whole or part of their benefits before they are Exercised.
- (d) **Vesting:** The Options will lapse if the employment is terminated prior to Vesting, in accordance with Clause 9.2(b) of ESOP 2025. Even after the Options are Vested, the unexercised Options may be forfeited if the Option Grantee's employment is terminated for gross misconduct. Please refer to the terms of ESOP 2025 for further details.

**B. Information about the Company**

- (a) **Business of the Company:** *[Insert a description of the main objects and present business of the Company.]*
- (b) **Abridged financial information:** Please see enclosed herewith abridged financial information, for the last five years for which audited financial information is available, as specified by the Board from time to time. We have also enclosed the last audited accounts of the Company.
- (c) **Risk Factors:** *[Please insert Board's perception of the risk factors for the Company (i.e., sensitivity to foreign exchange rate fluctuations, difficulty in availability of raw materials or in marketing of products, cost/time overrun etc.)]*
- (d) **Continuing disclosure requirement:** Please see enclosed *[insert titles of any documents that are sent to the members of the Company, including the annual accounts of the Company as well as notices of meetings and the accompanying explanatory statements.]*

**C. Salient features of ESOP 2025**

Please refer to the ESOP 2025 enclosed herewith.

[*Grant Letter Template*]  
[*On the Letterhead of the Company*]

*Encl:*

1. *ESOP 2025*
2. *Abridged financial information of the Company, for the last five financial year*
3. *Last audited accounts of the Company*

[*Grant Letter Template*]  
[*On the Letterhead of the Company*]

**ANNEXURE B**

**Acceptance Form**

I confirm that I have read, understood and accepted the terms of ESOP 2025, [and] the Grant Letter [, and the Disclosure Document attached as **Annexure A** of the Grant Letter].

By accepting this Grant, I understand that the liability of paying taxes, if any, in connection with Exercise of Options granted to me is entirely mine and shall be in accordance with the Applicable Laws.

I, [●], nominate [●] as my nominee to receive any benefit under ESOP 2025 in accordance with Clause 17.2 of ESOP 2025.

I understand that the terms of ESOP 2025 and the Grant Letter are incorporated in this Acceptance Form by reference.

**Acceptance of the Grant:**

.....

**Name and Signature of the Option Grantee**

.....

**Date**